

FILED Document

CO Boulder County District Court 20th JD

Filing Date: Jun 19 2007 1:51PM MDT

Filing ID: 15284306

Review Clerk: N/A

Review Clerk: Debra Crosser

DISTRICT COURT, BOULDER COUNTY,  
COLORADO

1777 Sixth Street  
Boulder, Colorado 80306

STATE OF COLORADO, ex rel. JOHN W. SUTHERS,  
ATTORNEY GENERAL,

Plaintiff,

v.

VETERANS FOR THE HOMELESS, INC. (d/b/a  
V.H.I.), a Colorado non-profit corporation, VISIONS OF  
HOPE, INC., (d/b/a V.H.I.), a Colorado non-profit  
corporation, JAY WYSS, an individual, and RHETT  
CLINE, an individual, LUIS SUAREZ (a/k/a Lou  
Anderson and Luis Anderson), an individual, JOHN  
DOES 1-10, independent contractors or employees of  
Veterans for the Homeless, Inc. or Visions of Hope, Inc.,  
and JANE DOES 1-10, independent contractors or  
employees of Veterans for the Homeless, Inc. or Visions  
of Hope, Inc.,

Defendants.

▲ COURT USE ONLY ▲

Attorneys for Plaintiff:

Case No.: 2006CV859

JOHN W. SUTHERS

Attorney General

ANDREW P. MCCALLIN, 20909\*

Assistant Attorney General

JAN M. ZAVISLAN, 11636

Deputy Attorney General

1525 Sherman Street, 5<sup>th</sup> Floor

Denver, CO 80203

(303) 866-5079

(303) 866-4916 Fax

\*Counsel of Record

**STIPULATED FINAL JUDGMENT**

**(Defendants Rhett Cline and Veterans for the Homeless, Inc.)**

Plaintiff, the State of Colorado, upon relation of John W. Suthers, Attorney General for the State of Colorado, by and through undersigned counsel, and Defendants Rhett Cline and Veterans for the Homeless, Inc. ("Veterans for the Homeless"), having each consented to the entry of this Stipulated Final Judgment without trial or other adjudication of fact or law herein, and the Court, having considered this matter and being fully advised in the premises, FINDS, CONCLUDES AND ORDERS AS FOLLOWS:

### **JURISDICTION**

1. This Court has jurisdiction over the subject matter of this action and the parties hereto, and the Complaint states claims upon which relief can be granted under the Colorado Consumer Protection Act, Colo. Rev. Stat. § 6-1-101 through § 6-1-908 (2005) ("CCPA") and the Colorado Charitable Solicitations Act, Colo. Rev. Stat. § 6-16-101 through § 6-16-113 (2005) ("CCSA"). Venue is proper in Boulder County, State of Colorado.

2. This Court is authorized to issue a permanent injunction and other relief pursuant to Colo. Rev. Stat. §§ 6-1-110(1), 6-1-112(1), and 6-1-113(4) (2005) of the CCPA and Colo. Rev. Stat. § 6-16-111(5) of the CCSA.

### **PERMANENT INJUNCTION**

3. Defendant Rhett Cline is permanently enjoined from the following:

- a. Operating or conducting any activities on behalf of Veterans for the Homeless or Visions of Hope;
- b. Operating, forming, founding, or establishing any charitable organization, as defined in Colo. Rev. Stat. § 6-16-103(1);
- c. Acting as a director, officer, trustee, compensated employee, professional fundraising consultant, or paid solicitor of any charitable organization, as defined in Colo. Rev. Stat. § 6-16-103(1); and
- d. Making any charitable solicitations on behalf of any charity.

4. In order to comply with paragraph 3.a., Defendant Rhett Cline shall ensure that Veterans for the Homeless and/or Visions of Hope immediately cease all operations, including all solicitations and all payment or disbursement of any funds remaining in any bank accounts of Veterans for the Homeless and/or Visions of Hope.

5. Defendant Veterans for the Homeless, its officers, agents, servants, employees, and attorneys, and any persons in active concert or participation with Defendants with notice of this Permanent Injunction, are permanently enjoined from the following:

- a. Operating or conducting any activities as a charity, including making any solicitations;
- b. Operating or conducting any activities as a Colorado non-profit corporation;
- c. Using any trade names, including V.H.I.; and
- d. Disbursing any funds that remain in any accounts maintained by the charity other than to pay the penalties and restitution set forth in paragraph 8 below.

#### **MONETARY RELIEF**

6. Defendant Rhett Cline shall pay four thousand dollars (\$4,000) as a civil penalty pursuant to Colo. Rev. Stat. § 6-1-112(1) (2005). Such funds shall be paid to the General Fund of the State of Colorado as follows:

- a. Two hundred and fifty dollars (\$250) to be paid within ten (10) days of entry of this Stipulated Final Judgment by the Court.
- b. Three thousand seven hundred and fifty (\$3750) dollars in installments of two hundred and fifty dollars (\$250) apiece to be paid on the following dates: April 15, 2007, July 15, 2007, October 15, 2007, January 15, 2008, April 15, 2008, July 15, 2008, October 15, 2008, January 15, 2009, April 15, 2009, July 15, 2009, October 15, 2009, January 15, 2010, April 15, 2010, July 15, 2010 and October 15, 2010.

7. Defendant Rhett Cline shall pay ten thousand dollars (\$10,000) to the Colorado Department of Law to be paid to and held by the Attorney General, together with any interest thereon, in trust for the payment of restitution to consumers who made donations to Veterans for the Homeless. Any residual amount remaining after paying restitution, and any interest thereon, shall be held in trust by the Attorney General and may be used for future consumer education or consumer fraud or antitrust enforcement purposes. The restitution set forth in this paragraph shall be reduced by any amount of restitution paid by Rhett Cline in the criminal case of *State v. Cline*, Case No. 06-CR1150 (hereinafter referred to as "the criminal case restitution"). Any remaining restitution owed by Mr. Cline pursuant to this agreement shall be paid as follows:

a. Five hundred dollars (\$500) to be paid within ten (10) days of the payment of the last payment of the criminal case restitution.

b. The remaining amount in installments of two hundred and fifty dollars (\$250) apiece to be paid on the fifteenth of each month beginning on the fifteenth of the month following the date of the last payment of the criminal case restitution, and continuing until all remaining amounts owed are paid.

8. Defendant Veterans for the Homeless shall pay ten thousand dollars (\$10,000) as a civil penalty pursuant to Colo. Rev. Stat. § 6-1-112(1) (2005) and another ten thousand dollars (\$10,000) to the Colorado Department of Law to establish a settlement fund for affected consumers. This penalty and restitution shall be paid out of any remaining assets and accounts of Veterans for the Homeless. Any such assets shall be liquidated and the proceeds remitted to the Colorado Department of Law within thirty (30) days of the entry of this Stipulated Final Judgment by the Court. Defendant Cline is not personally or jointly and severally liable for the penalty and restitution to be paid by Veterans for the Homeless as set forth in this paragraph.

9. The payment referred to in paragraphs 6 through 8 above shall be made payable to the Colorado Department of Law with a reference to "Rhett Cline" and shall be delivered to:

Andrew P. McCallin  
First Assistant Attorney General  
Consumer Protection Section  
1525 Sherman Street – 7<sup>th</sup> Floor  
Denver, Colorado 80203

10. Defendants may increase payment amounts at any time to pay off these amounts without any penalty. If there is a failure to make a payment pursuant to this Stipulated Final Judgment the State may accelerate all payments due hereunder and collect the entire amounts due hereunder. In such event the State shall be entitled to recover its costs and attorney fees in collecting such amounts.

11. If Defendants make only a partial payment under this Stipulated Final Judgment, the State's acceptance of this partial payment does not prevent it from declaring the Stipulated Final Judgment breached and collecting the full amount due hereunder pursuant to paragraph 10 and to seek other remedies, including contempt. If a partial payment is made, the Attorney General may deem the partial payment and all future payments as payment towards restitution until the full \$10,000 restitution amount has been paid.

### **CONSIDERATION**

12. Defendants Rhett Cline and Veterans for the Homeless are entering into this Stipulated Final Judgment for the purpose of compromising and resolving disputed claims and to avoid the expense of litigation. Defendants' execution of this Stipulated Final Judgment shall not be considered an admission by Defendants, and nothing herein shall be construed as an admission of liability by Defendants. Nothing herein constitutes approval by the State of Defendants' past or future practices, and Defendants shall not make any representation to the contrary.

13. Defendants agree to cooperate fully with the Office of the Attorney General, including agreeing to accept service of process, in any proceedings related to the allegations described in the Complaint.

14. This Stipulated Final Judgment is intended to resolve finally and fully all of the civil disputes between the Attorney General and Defendants Rhett Cline and Veterans for the Homeless arising out of the conduct alleged in the Complaint. This Stipulated Final Judgment shall not be construed to affect any claims by the Attorney General against any other Defendants, named or unnamed, or against any other individuals or entities regarding the conduct alleged in the Complaint. This Stipulated Final Judgment shall not be construed to affect any criminal actions or charges against Defendants Rhett Cline and Veterans for the Homeless, or against any other Defendants, named or unnamed, or against any other individuals or entities regarding the conduct alleged in the Complaint.

### **RETENTION OF JURISDICTION**

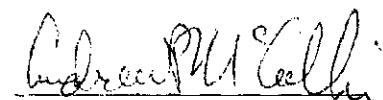
15. This Court shall retain jurisdiction of this matter for the purpose of enabling any party to this Stipulated Final Judgment to apply to the Court at any time for any further orders which may be necessary or appropriate for the construction, modification or execution of this Stipulated Final Judgment, and for the enforcement of compliance herewith and the punishment of violations hereof.

16. This Stipulated Final Judgment shall not be construed to affect the rights of any private party to pursue remedies pursuant to Colo. Rev. Stat. § 6-1-113 (2005) of the CCPA, Colo. Rev. Stat. § 6-16-111(5) (2005) of the CCSA, or under any other statutes through actions in common law.

17. The parties understand and agree that a violation of any term of this Stipulated Final Judgment shall give rise to the contempt remedies and penalties provided under Colo. Rev. Stat. § 6-1-112(2) (2005).

### ACKNOWLEDGMENT

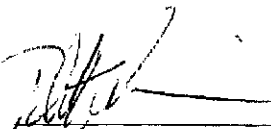
18. Defendants Rhett Cline and Veterans for the Homeless acknowledge that they have thoroughly reviewed this Stipulated Final Judgment, that they have had an opportunity to consult with an attorney if they so choose, that they understand and agree to its terms, and that they agree that it shall be entered as the Order of this Court.



Andrew P. McCallin, 20909\*  
Assistant Attorney General  
Consumer Protection Section  
Business Regulation Unit  
1525 Sherman Street, 5<sup>th</sup> Floor  
PHONE: (303) 866-5079  
FAX: (303) 866-4916

Attorneys for Plaintiffs  
\*Counsel of Record

Date: 4/2/07



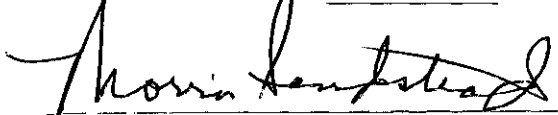
Rhett Cline, Individually



Veterans for the Homeless, Inc.  
By: Rhett Cline, Officer

Date: 3-20-07

SO ORDERED THIS 19<sup>th</sup> DAY OF June, 2006:



District Court Judge

CERTIFICATE OF SERVICE:  
I certify that I electronically served the

JUN 19 2007

foregoing via the Justicelink Efile service  
or via First-Class Postage Mail, C.F.